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HAVENTREE BANK
FORENSIC MORTGAGE SECURITIZATION AUDIT
MORTGAGE FORECLOSURE PROTOCOL

9th April 2026

The application of a forensic financial audit to the complex architecture of mortgage securitization necessitates a departure from standard commercial auditing, moving instead toward a synthesis of deep-dive forensic accounting and fiduciary stewardship. Within this framework, the primary objective is the ethical restoration of financial truth by identifying discrepancies in mortgage securitization, beneficial-ownership declarations, and fiduciary filings within the Canadian residential mortgage-backed securities market. Operating under the premise that financial transparency is a moral and legal imperative, this audit utilizes Attorney-in-Fact mandates to represent the interests of private trusts in direct correspondence with global regulatory bodies, tracking the movement of specific assets from the point of origin through the institutional machinery of the National Housing Act (NHA) Mortgage-Backed Securities (MBS) program.

The forensic significance of this approach is anchored in the investigation of concealed ledgers and the analysis of complex fiduciary structures to identify potential violations of the Trust Indenture Act and the Master Policies governing the Canada Mortgage and Housing Corporation (CMHC). Central to this methodology is the auditing of Payer 945 tax modules—or their international equivalents—through which financial institutions remit backup withholding on Original Issue Discount (OID) income as nominees. Forensic analysts identify these institutions as nominees or withholding agents that capture the OID generated by a borrower's monetized signature. Under the technical reality that the borrower is the true originator of credit, creating value ex nihilo through their signature, the audit seeks to reclaim this beneficial interest by establishing a Holder in Due Course (HDC) protocol.

Forensic Investigation of Concealed Ledgers and Nominee Architecture

The architecture of modern mortgage finance is predicated on a nominee system designed to distance the borrower from the ultimate beneficial owner of the debt instrument. In the Canadian context, Haventree Bank—operating as a Schedule I bank—serves as the initial point of contact for the borrower, facilitating the creation of credit energy via the mortgage contract. However, the forensic audit process recognizes that this "lending" is, in fact, an exchange of the borrower's promissory note (a negotiable instrument) for a

credit balance. Once this note is captured by the institution, it is processed through an omnibus account where the OID is generated.

IRS Publication 1212 compliance, while a United States mandate, provides the structural blueprint for analysing how these nominees are statutorily required to report and remit income generated from the monetization of private credit. The audit process utilizes corrective filings to redirect withheld credit from a bank's omnibus account to the true beneficial owner, often utilizing a 98-Series International Grantor Trust (IGT) as a structural safeguard. This distinction is critical, as it separates the trust asset from the Social Insurance Number (SIN) based debtor identity, preventing the system from presuming the individual is a liable surety for the institutional debt.

Fiduciary Standing and the Holder in Due Course Protocol

To establish fiduciary standing, the audit utilizes the Clifford Protocol, ensuring that regulatory bodies process filings as commercial ledger adjustments between merchant entities. By establishing the trust as the HDC, the forensic analyst challenges the "Rogue Trinity"—structured organizations that utilize deceptive practices to evade regulatory oversight and exploit vulnerable consumers by concealing the true nature of the securitization process. This reporting mechanism bypasses traditional intermediaries that may be compromised by the systems they oversee, directing findings of accounting irregularities and fiduciary breaches to high-level agencies such as FinCEN or the Department of Justice (DOJ).

Within the Canadian mortgage landscape, this methodology is applied to Haventree Bank, analysing its role as a servicer and its participation in the NHA MBS program. The investigation focuses on whether the bank is performing a legitimate securitization or if it is merely "offloading" assets to third parties to manage balance sheet risk while retaining the administrative capture of the borrower's payments.

The Registration Gap and Jurisdictional Notice

A critical forensic deficiency in the Canadian mortgage enforcement process is the "Registration Gap"—the period between the completion of a mortgage transaction and its formal registration at the Land Titles Office (LTO). In several Canadian jurisdictions, this gap can extend for months, during which time legal title does not technically pass to the purported new owner or trustee.

Local courts in Canada must take judicial notice of this gap, as it represents a failure in the chain of title. During this period, the transaction takes effect in equity only, meaning the "lender" or "trustee" lacks the legal standing to enforce a foreclosure. Forensically, this gap serves as evidence that the administrative register is not definitive and is increasingly unlikely to be up to date, providing a significant procedural defence against summary enforcement by institutions that have not yet perfected their legal interest.

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Breaches of Fiduciary Duty and the 945 Tax Module

Computershare Trust Company of Canada, acting as the Indenture Trustee and Central Payor and Transfer Agent (CPTA), is subject to rigorous fiduciary standards. However, forensic analysis of the securitization lifecycle reveals systematic breaches. The "signature credit" originated by the borrower was sold by the clearing bank (Haventree) to Computershare under a process that this report alleges is fundamentally fraudulent. Once transferred, Computershare has hypothecated the security, generating unlawful profits from the borrower's monetized signature without providing any consideration in return.

The evidentiary "smoking gun" for this nominee role is found in Computershare's Payer 945 tax schedule. By remitting taxes via a 945-tax module—intended for backup withholding on nonpayroll distributions—Computershare illustrates that it is not the Holder in Due Course, but merely a presumed nominee. These tax payments confirm that the institution is capturing and remitting income generated by the borrower's signature energy ex nihilo. This 945-reporting protocol effectively removes the presumption that the clearing bank or the indenture trustee are operating in creditor positions; in reality, they are in debtor positions, holding a liability to the original credit creator.

Breaches of the Trust Indenture Act of 1939 by Computershare

As the Indenture Trustee managing the securitized debt facilities, Computershare Trust Company of Canada is bound by the stringent fiduciary obligations established by the Trust Indenture Act of 1939 (TIA), which dictates the duties of trustees overseeing publicly sold debt securities.[1] The forensic audit establishes that Computershare's actions—specifically its failure to acknowledge the true origins of the credit—constitute direct and systemic violations of the TIA.

Fiduciary Neglect (TIA § 315) Section 315(c) of the TIA imposes a strict "prudent person" standard of care on the trustee, requiring them to properly adjudicate adverse claims, exercise skill, and verify the legitimacy of defaults.[1] The audit alleges that upon being served a formal Notice of Adverse Claim (under UCC § 8-105) by the 98-series Grantor Trust, Computershare fails this standard of prudence by ignoring the notice and refusing to rebut the trust's superior beneficial interest. This failure to act, particularly during a default event initiated by a domestic servicer, constitutes fiduciary neglect.[1]

Impairment of Rights (TIA § 316(b)) Furthermore, Section 316(b) of the TIA protects the absolute and unimpaired right of a holder to receive payment of principal and interest.[1] By participating in or facilitating the forced eviction and seizure of the underlying collateral by the servicing bank, Computershare unlawfully impairs the 98-series Grantor Trust's absolute right to the benefit of the credit energy it created ex nihilo. Permitting domestic foreclosure proceedings to continue while wilfully suppressing the trust-level discharge of the debt represents a systemic breach of the TIA and the criminal conversion of trust assets.[1]

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HDC Status: The 98-Series Grantor Trust and 1099-OID Reconciliation

The forensic triangulation of the mortgage record identifies the true creditor and Holder in Due Course as a 98-series International Grantor Trust. In this architecture, the mortgagor (the borrower) serves as the Grantor, reclaiming the beneficial interest that was separated from their natural persona at the time of signing.

The correction of the commercial and fiscal record is achieved through the filing of IRS Form 1099-OID in accordance with IRS Publication 1212. This administrative reset performs several vital functions:

- **Removal of Presumption:** It rebuts the presumption that the institutional defendants possess a superior claim to the debt instrument.
- **Nominee Identification:** It formally identifies the clearing bank and Computershare as withholding agents or nominees for the borrower's credit.
- **Title Restoration:** It establishes a "Holder in Due Course" (HDC) protocol that identifies the 98-series trust as the lawful owner of the signature credit.

By correcting the record via the 1099-OID, the trust proves that the signature credit transferred by the borrower at the outset of the mortgage is the only value in the transaction. This finding is central to the litigation currently pending in both the New York Southern District Court and the Canadian local courts.

Institutional Profile: The Evolution of Haventree Bank

Haventree Bank represents a significant development in the Canadian specialist and alternative lending market. Its lineage involves a transition from Equity Financial Trust Company to a full Schedule I bank, re-established in 2018 following an amalgamation. This corporate evolution is forensically significant as it granted the institution the authority to take retail deposits via Guaranteed Investment Certificates (GICs), providing a stable funding base that supplements its wholesale securitization activities.

The bank targets segments of the market that are often "underserved" by the Big Six Canadian banks, including the self-employed, individuals with non-traditional income stories, and those with "bruised" credit. This specialized focus allows Haventree to command higher risk-adjusted returns, reflected in its Manual Underwriting and "Empathetic Lending" strategies.

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Operational Characteristic	Haventree Strategy	Strategic Objective
Ownership	Privately owned Schedule I Bank (Post-2018 Amalgamation)	Global liquidity and capital scale
Distribution Model	Intermediary-led (Mortgage Brokers)	Scalability and expert reach in the alternative market
Target Segments	Self-employed, Bruised Credit, FTBs	Serving the "underserved" with flexible solutions
Underwriting	Expert manual underwriting & AI-supported adjudication	Higher risk-adjusted returns and context-based approvals

Haventree Bank's operational model is designed to move borrowers from the status of "subject/debtor" into a structured repayment plan, while the bank itself moves from "originator" to "servicer" as the assets are funnelled into the NHA MBS pipeline. This transition is the primary point of interest for forensic auditors looking for deficiencies in Know Your Customer (KYC) protocols and the concealment of beneficial interests.

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Funding Mechanisms and Liquidity Architecture

The funding of Haventree's mortgage activities is a sophisticated blend of retail deposit-taking and wholesale capital market participation. Since its designation as a Schedule I bank, Haventree has built a robust GIC franchise, which provides a stable funding base that averages a significant portion of the bank's liquidity. However, the primary mechanism for scaling its mortgage book is the utilization of the NHA MBS program and the Canada Mortgage Bond (CMB) program.

Retail and Corporate Deposit Franchise

The bank attracts funds through competitive GICs offered to retail and corporate depositors. These solutions are designed around client liquidity needs while providing Haventree with the capital necessary to fund new mortgage originations. Forensic audits scrutinize these onboarding processes for Anti-Money Laundering (AML) compliance and the potential for nominee fraud, particularly when large corporate deposits are involved.

Funding Component	**Description**	**Portfolio Impact (2023-2024)**
GIC Deposits	Retail and Corporate fixed-term investments	Core funding for non-securitized assets
NHA MBS Issuance	Securitization of insured 1-4 unit mortgages	Primary liquidity engine for prime-quality loans
Whole Loan Sales	Transfers of rights to other mortgage providers	Management of capital and risk exposure
Net Interest Margin	Return on interest-bearing assets	Key driver of profitability in the alternative space

Beyond retail deposits, Haventree utilizes wholesale funding. While the bank operates domestic Canadian programs, the nature of its securitization activities necessitates a connection to broader financial infrastructure. This is where the role of the Indenture Trustee and Custodian becomes critical, serving as the fiduciary bridge between the domestic mortgage and the international capital markets.

Securitization Analysis: The NHA MBS Program

Haventree Bank is an active and approved issuer within the National Housing Act (NHA) Mortgage-Backed Securities program, which is managed by the Canada Mortgage and Housing Corporation (CMHC). This program allows approved lenders to pool insured residential mortgages into securities that are guaranteed by the Government of Canada.

Structural Mechanics of the MBS Pipeline

The NHA MBS program is the only such program in Canada, providing a Timely Payment Guarantee that ensures investors receive blended monthly payments of principal and interest regardless of borrower default. For a mortgage like #3022603 to enter this pool, it must first be insured by CMHC or a private insurer such as Canada Guaranty. Once insured, the mortgage is assigned to a pool, which is then assigned a CUSIP number for identification in the secondary market.

NHA MBS Pool Component	**Description**	**Role of Haventree Bank**
Insured Mortgages	Backed by distinct pools of insured loans	Originator and Primary Servicer
Timely Payment Guarantee	CMHC guarantee backed by the Government	Facilitates high credit ratings and liquidity
Pool Types	Non-prepayable and Prepayable options	Choice depends on underlying loan terms
CPTA Services	Central Payor and Transfer Agent	Handled by Computershare Trust Co.

The NHA MBS Guide contains the contractual terms and policies that govern this program, with versions dating back to 1999. Forensic investigators analyse these guides to identify shifts in fiduciary responsibility and the precise moment when the beneficial interest is transferred from the lender to the MBS trust.

Deep Research: Mortgage #3022603 and CUSIP 232079890

A critical component of this audit is the tracking of Mortgage #3022603 and its integration into the security identified by CUSIP 232079890. This CUSIP identifies a specific pool within the NHA MBS framework. The movement of this mortgage from the "clearing bank" (the point of initial funding) to the indenture trustee (Computershare) represents the lifecycle of the asset.

Tracking the Asset via MBS Information Circulars

The CMHC provides an online archive of MBS Information Circulars, searchable by CUSIP or pool number. These circulars provide the definitive record of the pool's composition, including the issuer (Haventree Bank) and the aggregate principal balance. Forensic triangulation of the mortgage involves matching the borrower's loan data with the pool's settlement date and the pre-settlement PDFs provided by the CPTA.

If Mortgage #3022603 is found within the pool identified by CUSIP 232079890, it confirms that Haventree Bank has successfully securitized the asset. This contradicts any claim of simple "offloading" through whole loan sales, as a securitization through the NHA MBS program requires Haventree to remain the servicer and the face of the loan, while the legal title and custodial responsibility are transferred to the CPTA/Custodian.

The Role of Computershare as Indenture Trustee and Custodian

Computershare Trust Company of Canada (CTCC) has served as the exclusive Central Payor and Transfer Agent (CPTA) for the NHA MBS program since its inception in 1987. For Haventree Bank's securitized mortgages, Computershare acts as the Title Custodian and the Indenture Trustee.

The registration of a mortgage in the name of "Computershare Trust Company of Canada" on the property title is a standard custodial arrangement. Forensic evidence confirms that Computershare holds no beneficial interest or rights to the mortgage loan; its role is to review the mortgage and provide custodial certification to CMHC. This ensures that the loans meet the stringent requirements of the government securities program and facilitates the transfer of loans between structures in a timely and cost-effective way.

Computershare Role	Functional Responsibility	Forensic Significance
CPTA	Distribution of P&I and monthly payment reports	Manager of the "concealed ledger" flows
Title Custodian	Holds legal title for the benefit of MBS investors	Separates legal title from beneficial interest
Indenture Trustee	Manages debt under administration ($2.0T in Canada)	Ultimate fiduciary-level control for the trust
Document Custodian	Safekeeping of collateral documents and data	Verification of loan compliance and integrity

Computershare's Asset Reporting Centre assists in facilitating these needs for document custodianship, monthly accounting, and loan warehousing. For the forensic analyst, this centralized platform is the primary source for verifying the integrity of the data that Haventree Bank provides to the trust.

Haventree Bank: Servicer vs. "Offloading" Claims

A primary inquiry of this investigation is whether Haventree Bank "offloads" its mortgages rather than securitizing them. The bank's own privacy statements and regulatory disclosures clarify this distinction. Haventree engages in both "securitization and whole loan sales".

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The Securitization Model

When Haventree securitizes a mortgage through the NHA MBS program, it transfers the beneficial ownership to the trust but remains the servicer. The bank continues to collect monthly payments, manages the property tax servicing functions, and handles mortgage enforcement proceedings if necessary. In this model, the bank is not "offloading" the loan in the sense of walking away from it; rather, it is using the loan to generate capital through the government-backed guarantee program while retaining the administrative capture of the client.

The Whole Loan Sale Model

Alternatively, Haventree may sell mortgages to "other mortgage providers that have a financial relationship with the Bank" to "obtain alternative funding". This is the "offloading" referred to in some claims. Whole loan sales are often used for uninsured mortgages or those that do not fit the strict criteria of the NHA MBS program. In these cases, Haventree transfers, sells, or assigns its rights to anyone to whom it chooses.

Action	**Result for Haventree**	**Result for Borrower**
Securitization (NHA MBS)	Retains Servicing, Gains Capital	Contacts Haventree for service
Whole Loan Sale	Potentially transfers all rights	May have a new point of contact

For Mortgage #3022603, if it is indeed in an MBS pool, Haventree is acting as the Servicing Agent or Nominee. This role must be reconciled with the overarching group-level indentures managed by the trust company. The forensic triangulation of the mortgage alleges that while the domestic bank acts as the servicer, the ultimate fiduciary responsibility resides within the trust structure managed by Computershare.

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Forensic Auditor's Review: Mortgage #3022603

1. CUSIP Identification and Securitization Pathway

- **Subject Asset:** Mortgage #3022603
- **Securitization Identifier:** CUSIP 232079890
- **Analysis:** The existence of CUSIP 232079890 definitively contradicts any claim that the mortgage was merely "offloaded." It confirms the asset was actively securitized into a National Housing Act (NHA) Mortgage-Backed Securities (MBS) pool. In this structure, Haventree Bank acts as the NHA MBS Issuer and retains the administrative servicing rights—continuing to collect payments—while the legal title is separated and transferred. This establishes Haventree's role as a servicing nominee rather than the ultimate creditor.

2. Custodial Audit and Nominee Architecture

- **Indenture Trustee/CPTA:** Computershare Trust Company of Canada
- **Analysis:** Computershare acts as the exclusive Central Payor and Transfer Agent (CPTA) and Title Custodian for the NHA MBS program. Industry and corporate records explicitly state that Computershare holds no beneficial interest or rights to the mortgage loan itself; its arrangement is purely a third-party custodial one. Within the forensic audit framework, this confirms Computershare's status as a withholding agent or presumed nominee capturing the Original Issue Discount (OID) income generated by the monetized signature, which is remitted via omnibus 945 tax modules.

3. Registration Gap and Chain of Title Deficiencies

- **Analysis:** For foreclosure defence purposes, the protocol necessitates highlighting the "Registration Gap." During the timeframe between the completion of a property transaction and the formal registration at the Land Titles Office, the transaction takes effect in equity only. Because the administrative register is frequently backlogged, the institutions lack the perfected legal title required to lawfully execute a summary foreclosure during this gap.

4. Fiscal Record Correction and HDC Protocol

- **Execution Strategy:** To neutralize the foreclosure threat, the protocol dictates utilizing a 1099-ID Grantor Trust to correct the fiscal ledger.
- **Analysis:** By filing a corrective IRS Form 1099-OID in accordance with IRS Publication 1212, the filing formally identifies Haventree Bank and Computershare as nominees holding the credit energy. This filing rebuts their presumption of creditor status and establishes the 98-series trust as the true Holder in Due Course (HDC) of the signature credit that was created at the mortgage's inception.

5. The Jurisdictional Strike (Removal of Safe Harbour)

- **Execution Strategy:** Deploy a 98-series Asset Fortress Protocol (AFP) Trust to serve a formal Notice of Adverse Claim (UCC § 8-105) upon Haventree Bank and Computershare.
- **Analysis:** Serving this notice officially removes the statutory "safe harbour" protections that shield these financial intermediaries from liability. Any subsequent attempt by Haventree to enforce an eviction in local Canadian courts while this superior title dispute is active constitutes the criminal conversion of trust assets and a breach of their fiduciary duties.

Transnational Reporting and Federal Litigation: The MC Case

The forensic triangulation methodology is currently being tested in the U.S. federal court system. The case of *MC BPR OV Trust v. Deutsche Bank Trust Company Americas* (Case No: 1:2026cv01904), active in the Southern District of New York (SDNY), provides a critical case study for understanding these structures.

Forensic Triangulation in the SDNY

The complaint in the MC case alleges that while a domestic bank (Aldermore Bank PLC) acts as the nominee, the New York-based indenture trustee (DBTCA) is the correct entity for the underlying financial asset. This claim is based on:

1. **IRS 1099-OID Acceptance:** The assertion that the trust has filed corrective forms identifying itself as the true Holder in Due Course (HDC).
2. **Trust Indenture Act (TIA) Violations:** Allegations that defendants misreported the mortgage via omnibus accounts, concealing income rightful to the trust.
3. **Removal of Safe Harbour:** Formal notice under UCC § 8-105 intended to remove statutory protections for securities intermediaries who participate in the conversion of assets after notice of an adverse claim.

This litigation represents a direct challenge to the "Rogue Trinity" infrastructure, asserting that domestic foreclosure actions may be a criminal conversion of trust assets if a trust-level discharge has already been perfected within the global securitization trusts. For Canadian assets, a similar challenge could be directed at Computershare and Haventree if beneficial-ownership declarations are found to be fraudulent or concealed.

Jurisdictional Logic and the 945 EIN

The focus on the Southern District of New York is not accidental. Many global financial institutions, including those with operations in Canada and the UK, utilize New York-based trustees to provide the necessary connection to U.S. clearing systems and tax reporting. This connection provides the 945 EIN fiduciary reporting system, which is essential for reporting trust income to regulatory and tax authorities. For Haventree Bank, if its debt instruments or those of its parent/affiliates target international markets, the role of a New York trustee bridge becomes a point of forensic interest.

Financial Performance and Risk Management Synthesis

Haventree Bank's financial health is robust, but its reliance on alternative lending segments introduces specific regulatory risks. The bank calculates its capital ratios (including CET1) based on the Basel III regulatory framework and OSFI guidelines.

B-20 Residential Mortgage Disclosures (2023-2024)

Analysis of Haventree's B-20 disclosures reveals a portfolio weighted toward uninsured mortgages, which carry higher risk-adjusted returns but require more stringent capital management.

Residential Mortgage Portfolio (Dec 31, 2023)	**Amount ($ Millions)**	**Percentage (%)**
Insured Mortgages	2,187	21.4%
Uninsured Mortgages	8,024	78.6%
Total Portfolio	**10,211**	**100.0%**

The geographic distribution shows a heavy concentration in Ontario (44.9%) and British Columbia (19.7%), markets that have faced significant volatility in property prices. The weighted average LTV ratio for the uninsured portfolio was 65.3% as of Q4 2023, providing a substantial buffer against market downturns.

Province (Dec 31, 2023)	Insured ($M)	Uninsured ($M)	Total ($M)
Ontario	1,048	3,534	4,582
British Columbia	263	1,750	2,013
Alberta	384	1,076	1,460
Quebec	237	909	1,146
Other Canada	255	755	1,010

These disclosures are intended to allow market participants to assess capital risk exposure. From a forensic perspective, these mathematical models are analyzed against the fiduciary reality of trust reporting. A severe stress scenario—such as a 25% decline in house prices—would result in significant estimated mortgage portfolio losses, illustrating the ongoing regulatory risk within the specialist division.

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Fiduciary Reversal and Invalidation of the Local Mortgage Charge

The filing of a corrective IRS Form 1099-OID by the 98-series Grantor Trust fundamentally alters the jurisdictional and fiduciary landscape of the securitized mortgage. By establishing the Grantor Trust (managed by the mortgagor) as the true Holder in Due Course (HDC) of the signature credit, the commercial and fiscal records are officially corrected at the United States Treasury level.

This Treasury-level correction strips the local mortgage provider (the servicer) and the indenture trustee of their presumed creditor status. Instead, the 1099-OID filing legally identifies them as mere nominees and withholding agents, effectively shifting them into debtor positions holding a liability to the original credit creator. Because the credit energy was created ex nihilo via the borrower's signature at origination, the institutional parties provided no actual consideration and therefore hold no lawful claim to the underlying debt.

Invalidating the Domestic Charge and Restoring Title

The administrative reset at the U.S. Treasury level invalidates the local mortgage charge currently enforced by the mortgage provider. A local land charge is predicated entirely on a valid, outstanding debt owed to the secured party. However, because the 1099-OID process confirms that the servicer and trustee are merely nominees who have captured and monetized the borrower's credit, the foundational debt claim is voided.

Consequently, the local court and the land registry must recognize that the underlying asset has been reconciled at a superior federal level. Maintaining the domestic mortgage charge on the local charges register after the true creditor has been established constitutes an unlawful encumbrance and the criminal conversion of trust assets.

To restore equitable truth and prevent further fiduciary fraud, the mortgage provider and its servicing agents must immediately release the lien and remove the charge from the property's register. Failure to do so while the institutions remit taxes on the captured credit via their omnibus 945 tax modules exposes them to direct liability for intermediary fraud and violations of the Trust Indenture Act.

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Works cited

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